

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 9073 - SB 9010

October 28, 2021

SUMMARY OF BILL: Authorizes the use of cash as eligible collateral with regard to state depositories. Decreases, from 100 to 90 percent of the public deposits held by the depository on or after the effective date of this act, the amount of collateral that must be pledged by a qualified public depository. The subsection creating the decrease in required collateral is repealed on December 31, 2026.

ESTIMATED FISCAL IMPACT:

NOT SIGNIFICANT

Assumptions:

- Authorizing the use of cash as eligible collateral will not have a significant fiscal impact on the value of any state funds or on the interest earned by any of those funds.
- Any changes in licensure fees or fines from the Department of Financial Institutions associated with the changes made in the proposed legislation will be not significant.
- Because the proposed legislation requires that only public depositories with established criteria to pledge collateral equal to 100 percent may be eligible to pledge 90 percent collateral, it is estimated that there will be no significant fiscal impact from default or other factors associated with decreases in pledged collateral from state depositories.
- Should the changes from this legislation conflict with any federal collateral requirements, it is estimated that these state depositories would act in such a way to not be put at risk of federal scrutiny; therefore, any conflict between this legislation and federal legislation are not estimated to have a significant fiscal impact.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner".

Krista Lee Carsner, Executive Director

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